



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

BEVERLY EAVES PERDUE
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

EUGENE A. CONTI, JR.
SECRETARY

August 20, 2010

MEMORANDUM

To: Eugene A. Conti Jr.
Secretary of Transportation

From: Jim Westmoreland, PE
Deputy Secretary for Transit

A handwritten signature in black ink, appearing to be "JW", written over the name "Jim Westmoreland".

Cc: Jim Trogdon, PE
Chief Operating Officer

Subject: Transmittal of Draft Reports on NC Ferry Division Investigation

On June 25, 2010, Harold Finch was separated from the Department as the Director of the NC Ferry Division. After his departure and in a July 2, 2010, article in The News and Observer, he made allegations including hiring of relatives, payroll padding, excessive overtime use, and questionable spending in the Ferry Division.

While he was the Ferry Director (from May 3, 2010 – June 25, 2010), he referred concerns about hiring of relatives to NCDOT Human Resources (HR) and, concerns of payroll padding, excessive overtime use, and questionable spending to the NCDOT Office of Inspector General (OIG). Also before his dismissal, the HR office received a complaint from a Ferry Division employee of unacceptable personal conduct by Mr. Finch.

Based on these concerns, HR and OIG staffs started initial investigations into the matters. After Mr. Finch's departure, senior management directed HR and OIG to continue and complete their initial investigations and where appropriate, incorporate review of other allegations raised in the July 2, 2010 article.

While both investigations are still ongoing and are not yet deemed complete, the Department has received a public records request to provide the draft reports on both investigations. Attached herewith are the draft reports.

Eugene A. Conti, Jr.
August 20, 2010
Page Two

The draft reports provide an update on the investigations. They identify some items that can be addressed by the Department and Division in the short term. However, they also highlight some items and practices within the Ferry Division that merit closer examination and possible changes.

Additional investigation and follow-up work to be performed (by both internal and external resources) includes: additional review of overtime policy and procedures; additional review of Division purchases and contracting processes and procedures; additional review of employment of relatives policy and procedures; additional review of time entry and recording processes and procedures.

At this time and due to the ongoing work on some items and current scoping of work for others, we have no definitive schedule for how long the additional follow-up investigative work will take to complete. However, my goal is to provide you and Jim Trodgon with a complete follow-up investigation plan and schedule within the next two weeks. Please advise should you have questions or other needs.



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BEVERLY EAVES PERDUE
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1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

EUGENE A. CONTI, JR.
SECRETARY

August 19, 2010

MEMORANDUM

TO: Jim Westmoreland
Deputy Secretary for Transit

FROM: Gene Conti

RE: Release of Internal Investigation of the Ferry Division

Due to the recent allegations surrounding the Department's Ferry Division, your office undertook an internal investigation involving professional misconduct, hiring practices within the division, excessive overtime payments, and questionable expenditures. These allegations required an internal investigation of the Ferry Division, which was performed in two parts. The Human Resources Division investigated hiring practices and allegations of professional misconduct and the Office of Inspector General investigated allegations of payroll padding, excessive overtime, and questionable spending. Both of these investigations are continuing.

Complaints about the Ferry Division became public after former Ferry Division Director Harold Finch was terminated from his position. At that time, he publically expressed his concerns about the Division. The Department stated that an investigation into those complaints was essential to maintaining the integrity of the Ferry Division and the Department.

Pursuant to North Carolina General Statute 126-24, a Department head may allow the release of information contained in a personnel file under certain conditions:

"... [W]hen such department head shall determine that the release of such information or the inspection and examination of such file or portion thereof is essential to maintaining the integrity of such department or to maintaining the level or quality of services provided by such department."

After consulting with counsel and at your request, I am directing that draft copies of the reports be made public due to the allegations regarding the Ferry Division.

I conclude that, in accordance with North Carolina General Statute 126-24, the release of the reports of the above-referenced investigation is essential to maintaining the integrity of the Department of Transportation's Ferry Division and to ensure that the division maintains the level of quality services it provides daily.

North Carolina Department of Transportation

Investigative Report



NCDOT Ferry Division
OIG CASE NO. 2011-DA17-71

August 19, 2010

NCDOT Office of Inspector General
Bruce Dillard, Inspector General

The Department mission is "Connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity." The Office of Inspector General conducts audits and reviews to assist the Secretary and agency management in fulfilling this mission.

I. Background

Allegations were reported to the Office of Inspector General (OIG) by former Ferry Division Director, Mr. Harold Finch, regarding improper spending and management within the Maintenance and Operations areas of the Division (allegations A, B, and C below). Additional allegations were identified on July 2, 2010 and are also included (allegations D, E, and F).

Allegations concerning the Ferry Division included:

- A. payroll padding by employees,
- B. timesheet/payroll processing and approval by relatives,
- C. questionable spending by the various ferry offices,
- D. no detailed or projected budget,
- E. failure to remove unsafe vessel from service, and
- F. spoil removal project in Southport has exceeded budget.

The Deputy Secretary for Transit requested that these allegations be investigated by this office.

II. Purpose

An investigation was performed by the OIG to examine the allegations made by Mr. Harold Finch. The final report is being forwarded to the Deputy Secretary for Transit for any action determined necessary as a result of the findings.

III. Methodology

This investigation was performed by verifying accounting reports in the NCDOT accounting system (SAP) to supporting documents in the Ferry Division offices related to employee time entry, payroll approval, and overtime hours reported. Interviews were conducted with assistant directors of the Ferry Division, human resource representative, payroll technician, business officer, field personnel in operations, and maintenance personnel in an effort to provide background and understanding of the Ferry Division operations.

IV. Allegations, Findings and Recommendations

A. Payroll padding by employees:

1. Allegation:

Employees reported extensive overtime to pad payroll costs. The allegation claims this amount was in excess of 10% of the entire budget and totaled over \$3.5 Million. An office assistant claimed more than 113 hours of overtime in a four-week period.

2. Findings:

- a. Overtime is "built-in" to the compensation for Ferry crews. An average shift for this staff is made up of seven (7) days at twelve (12) hours per day. The seven (7) day shift is made up of seven (7) days on duty followed by seven (7) days off duty. The seven day shift breaks down into 4 days (48 hours) in one pay period and 3 days (36 hours) in the second pay period. The first pay period gives 8 overtime hours while the second pay period results in the employee taking 4 hours without pay. The crew overtime is necessary in order to meet new Coast Guard requirements. The Coast Guard implemented a requirement of 6 crew members and possibly 7 depending on the number of passengers on the vessel. The average overtime built-in is approximately 18% of total compensation.
- b. Overtime hours increase during the summer months due to seasonal travel and tourism. Ferry runs also increase to accommodate travelers during this peak time creating a need for additional staff and hours worked.
- c. Overtime paid for permanent, temporary, and probationary employees during the fiscal year 2010 totaled \$2,831,457 or 9% of the total 2010 fiscal year budget; not \$3.5 million as alleged.
- d. Between March and June of 2010, overtime was increased for a number of maintenance personnel required to ready 5 vessels to meet travel demands for the summer season and pass a required Coast Guard inspection.
- e. Verification of time sheets and payroll reports confirm the office assistant reported and was approved for hours worked (pay period 411 and 412) resulting in 113 hours of overtime. The Assistant Ferry Director of Maintenance & Materials stated the overtime was necessary and justified based on the need for additional preparation

of presentations for the Board of Transportation and oversight of capital projects in process.

3. Recommendations:

- a. A review of overtime should be performed for the current and prior years by ferry run, season, crew, and employee to ascertain if there are trends that should be analyzed to identify questionable overtime hours or opportunities for improved efficiency to reduce the need for such hours.
- b. Review employees earning large amounts of overtime to ascertain that all overtime is necessary, justified and approved. Outside of those positions receiving built-in overtime, employees should explain overtime worked and the project being worked on.
- c. Review current overtime policies to ensure they provide proper oversight and controls.
- d. Review work assignments for employees earning large amounts of overtime to evaluate the need for a more efficient allocation of duties.

B. Timesheet/payroll processing and approval by relatives:

1. Allegation:

Timesheet/Payroll processing and approval of employees is being performed by their relatives.

2. Findings:

- a. Paper time sheets are submitted to the Manns Harbor office for processing in SAP. These time sheets are signed by the employee and their direct supervisor and serve as the legal document supporting hours worked.
- b. Time entry reports were compiled listing the party who "created" time sheets in SAP and the party who "approved" the time for payment in SAP were reviewed. The report revealed instances where an employee performed both SAP functions for a relative. This does not create an internal control issue so long as the original timesheet is reviewed and signed as listed in finding (a) above, and the time is correctly entered in SAP. This process was verified by an independent party and noted on the report prior to being approved for payroll. The process was completed correctly for the sample selected.

- c. A sample of 12 employees for each pay period in fiscal year 2010 was selected to review the actual time sheets to the time recorded in SAP. The sample revealed two errors of .5 hours (30 minutes) each and missing time sheets for three pay periods for 2 employees.

3. Recommendations:

- a. The Ferry Division should follow proper procedures for documenting, approving, reviewing, and entering payroll as outlined in the June 9, 2010 Distribution A (Time Entry Requirements - Review) from Accounting Operations.
- b. Timesheet review and retention processes and procedures should be strengthened. An independent review to ensure compliance with recommendation (a) above should be performed.

C. Questionable spending by the various Ferry offices:

1. Allegation:

Improper credit card charges on the state credit card by the Assistant Ferry Director of Maintenance & Materials.

2. Finding:

A limited review of purchase documents was performed; while the Ferry Division has a set procedure for purchasing and approvals this documentation was not imaged with the transaction in SAP. Invoices approved for payment show they were reviewed by the purchasing agent in Manns Harbor or Morehead City.

3. Recommendation:

- a. The implementation of a comprehensive purchasing process to strengthen controls. The process should require a purchase request (ES-1, Equipment Unit Store Purchase Authorization Form) be filled in by the party requesting the purchase. The form would then be signed by the immediate supervisor and operations manager. ES-1 is then forwarded to the Assistant Ferry Director of Maintenance & Materials for final approval and submission to the appropriate party (inventory or purchasing agent). When the parts are received the items are to be sent to the requesting party with a copy of the shipping receipt. The receipt should be signed, dated, and noted for the location of the item by the initial party. The signed receipt should be returned to purchasing to support receipt of the items and verification of the appropriate cost account.

Additional audit work will be performed to ascertain that the above procedures exist and are being followed.

D. The Ferry division has no detailed or projected budget:

1. Allegation:

Failed to create and maintain a detailed budget for the Ferry Division.

2. Findings:

- a. The former Director of Ferry Division created the budget. The final budget and actual expense information was not distributed to the operations offices for verification or review.
- b. Ferry budget information is available in SAP.

3. Recommendations:

- a. The budget should be distributed to all operation units that have budget management responsibility. (This is currently in the process of being completed.)
- b. Managers should receive SAP training to become familiar with accessing the budget information.

E. Failure to remove unsafe vessels (Ferries) from service:

1. Allegation:

Unsafe vessels are being run

2. Finding:

- a. This refers to an incident where a Ferry vessel pilot crew could not communicate with the engine room due to a radio failure. The Coast Guard gave approval to use an alternate radio system to return to the dock for repair. The conversation with the Coast Guard was recorded in the vessel's log. Nevertheless, Mr. Finch chose to remove the Ferry from service.

3. Recommendation:

- a. The Ferry Division should continue to have a policy allowing the Coast Guard or the Ferry Division Director to remove a vessel from service when safety issues are in question.

F. Dredge project in Southport has exceeded its budget:

1. Allegation:

Spoil removal project for approximately \$563,000 has already exceeded \$1M and lacking appropriate oversight

2. Findings:

- a. Data from the business office reveals expenses being charged against the spoil removal project in Southport. According to the Ferry Division environmental specialist, charges that should have been applied to regular dredging were inadvertently applied to the spoil removal project. The charges have been reclassified to the proper account.
- b. NCDOT Highway Division 3 administered the spoil removal project. All contract related issues and expenses were handled out of the Division 3 office. Supporting documentation in SAP shows payments on the project were paid per the Agreement.

3. Recommendation:

- a. No additional work is necessary for this item.

V. Other Comments:

Please contact Tammy Montanez or Winston Harrison if additional information is required.

Approved by:

*Bruce Dillard, CPA.
Inspector General*

Prepared by:

*Tammy Montanez, Director
Investigation and Data Analysis Branch*

Prepared by:

*Winston L. Harrison, Audit, Manager
Investigation and Data Analysis Branch*

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NORTH CAROLINA DEPARTMENT OF TRANSPORTATION HUMAN RESOURCES

FERRY DIVISION REPORT

August 19, 2010

The North Carolina Department of Transportation (NCDOT) Human Resources Division undertook an investigation of recent allegations regarding the operation of the North Carolina Department of Transportation (NCDOT) Ferry Division. This report addresses two specific allegations into the operation of the Ferry Division:¹

- I. Ferry Division employment practices, including the hiring and supervision of relatives, violated NCDOT and the Office of State Personnel (OSP) policies regarding the hiring of relatives.²
- II. The Ferry Division Director Harold Finch acted unprofessionally in the workplace beginning in early May and continuing through his departure on June 25, 2010.³

Under the supervision of Angela Faulk, NCDOT Human Resources Director, Angie Fanelli, Assistant HR Director for Operations was the lead investigator regarding allegations of improper hiring and supervision of relatives within the Ferry Division during the period of January through June 2010. Patricia Broadhurst, Assistant HR Director for Services, was the lead investigator into the allegations of unprofessional conduct.⁴

Ferry Division employees interviewed as part of this investigation included:

Cindy Austin - Operations Manager, Cedar Island Ferry

Charlie Fearing - Assistant Director, Maintenance and Materials
Interim Ferry Director, February 1 – May 3, 2010

Tanya Neeland - Administrative Assistant for the Assistant Director, Maintenance and Materials, and Interim Ferry Director

Gail Sheets - Personnel Technician

Harold Thomas - Assistant Director, Operations

¹ Mr. Finch's allegations regarding abuse of overtime pay are being investigated by the NCDOT Office of Inspector General (OIG).

² Complaint from Mr. Finch.

³ Complaint by Cindy Austin, Operations Manager, Cedar Island Ferry.

⁴ As a result of the investigation, an additional item was identified for review: the need for an audit of the toll collecting process at the ferry docking stations. The OIG is investigating.

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Jesse Vinson - Business Officer

Because Mr. Finch no longer works for the North Carolina Department of Transportation, Human Resources did not interview him as part of this investigation.

This report is being forwarded to the Jim Westmoreland, Deputy Secretary for Transit, for any action deemed necessary as a result of the investigation. Because the investigation may result in disciplinary action, this report is considered part of the individuals' personnel files.

I. FERRY DIVISION EMPLOYMENT PRACTICES

The NCDOT Policy on Employing Relatives states:

It is the policy of the Department of Transportation that two members of an immediate family shall not be employed within the same unit working together or in any situation which would allow or require them to come in contact with each other in a working environment. It is also our position that any relatives outside of the immediate family shall also not be employed in the same working environment. The intent of the policy is to prevent severe workplace problems when relatives are placed in day-to-day working situations. (Emphasis in the original.)⁵

In addition, under Office of State Personnel rules, temporary employees are not required to go through a formal application process to be hired.

On October 5, 2009, Angela Faulk, Human Resources Director, delegated certain hiring decisions to the Ferry Division (along with the 14 Highway Divisions). At that time, employment decisions that fell within the delegation were no longer reviewed by the Human Resources Division.⁶

A. Effective April 17, 2010 an administrative assistant's husband and sister were hired to work at the Manns Harbor Shipyard.

Tanya Neeland, the administrative assistant, reported to the Assistant Director for Maintenance and Materials, Charles Fearing. At the time her relatives were hired, Mr. Fearing was also serving as the Interim Director of the Ferry Division. The Assistant Director oversees the Shipyard. On April 17, 2010, Ms. Neeland's husband was hired as a Trades Worker at the Currituck Operational Site. On April 28, 2010, he was transferred to the Manns Harbor Shipyard as a Maintenance Mechanic IV on a temporary basis. The transfer was approved by the Interim Ferry Director and the Personnel Technician. The Human Resources Division was not contacted.

⁵ See, Attachment A.

⁶ See, Attachment B.

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The Interim Director and Personnel Technician assumed it would be OK because Mr. Neeland's transfer was temporary.

The transfer, however, meant that Ms. Neeland and her husband were working at the same location and that she was entering time on behalf of her husband so that he could be paid.⁷

Ms. Neeland's sister was also hired effective April 17, 2010, as a temporary Office Assistant IV. When her placement within the Ferry Division was questioned by the Human Resources Division, it was indicated that she would be reporting to the Human Resources Personnel Technician in the Administrative Office.

The placement was approved because Ms. Neeland and her sister were in different Units.

B. The Ferry Division hired three family members of Ms. Austin's: Her husband, son and sister – two on May 1, 2010 and the third on May 15, 2010.

Ms. Austin is the Operations Manager, Cedar Island Ferry. Her husband works as a temporary Ferry Master at the Ocracoke Ferry terminal. He retired on November 1, 2009, from the NCDOT Ferry Division and was hired as a temporary Ferry Division employee on May 15, 2010.

Ms. Austin's son works at the Swan Quarter Ferry terminal and was hired on May 1, 2010, as a temporary Ferry Crew Member I.

Ms. Austin's sister was hired May 1, 2010 as a General Utility Worker at Swan Quarter Operation site. She reports to the Operations Manager. Because of her background with Homeland Security, she is working with Homeland Security at the Swan Quarter site. Therefore, her job duties do not match her position requirements. The Ferry Division will be resubmitting the job description for a new classification.

Ms. Austin does not supervise her family members.⁸

C. The Human Resources Division conducted a review of the Ferry Division's administration of delegated authority for certain hiring decisions.

Several deficiencies were identified in the Ferry Division's administration of delegated authority. The Human Resources Division is currently completing its work and follow-up report on this matter.

Findings:

⁷ The NCDOT Office of Inspector General reviewed Ms. Neeland's time entries.

⁸ See, Attachment A and Attachment C, The State Personnel Manual Workforce Planning, Recruitment and Selection Section 2, Page 13.

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The circumstances surrounding the hiring of Ms. Austin's and Ms. Neeland's relatives, including the timing, raise questions that need further review.

The Division did not follow necessary requirements when exercising its delegated authority for certain hiring decisions.

Recommendations:

The Human Resources Division is in the process of reviewing all employees working at the Ferry Division to determine whether their employment, and that of any relatives, complies with policies regarding working with family members. Upon completion of the review, the Human Resources Division will review existing policies and recommend changes to them if any are needed.

The Human Resources Division has cancelled the delegated authority the Ferry Division had to hire employees without review by the Human Resources Division.

The Human Resources Division is monitoring all relatives that are being hired and reviewing all hiring packages to ensure the most qualified applicant is being employed. Further, the division is bringing all issues involving hiring of relatives, to the Deputy Secretary of Transit for review before any action is taken.

Training is being scheduled for all hiring managers within the Ferry Division on Merit Based Hiring and the Relative Policy.

Mr. Neeland now reports to the Currituck Operations Site. Ms. Neeland's sister was moved to the Hatteras Inlet Operation on August 7, 2010. Her actual relocation did not occur until August 18, 2010.

II. THE FERRY DIVISION DIRECTOR ACTED UNPROFESSIONALLY IN THE WORKPLACE

Mr. Harold Finch was hired to head the Ferry Division, starting on May 3, 2010, based upon his professional experience as a Coast Guard Captain, which included operating vessels and management skills.

Acknowledging that the Ferry Division had issues, Mr. Finch's managers identified three immediate goals for him.

1. Build the team;
2. Develop a Business Plan for moving the Division forward in 60 days; and,
3. Examine and improve existing operations.

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Employees immediately complained that Mr. Finch took up other matters in a brusque way, was difficult to communicate with, and treated them in an unprofessional manner.⁹

Ms. Cindy Austin, Cedar Island Ferry Operations Manager, reported that she and other Ferry Division employees had been exposed to profanity, threatened and embarrassed by Mr. Finch.

Interviews with Ms. Austin and Mr. Harold Thomas, Assistant Ferry Division Director for Operations, indicate the following exchanges with Mr. Finch:

May 12, 2010, Ms. Austin met with Mr. Finch to discuss concerns that she had regarding the Ferry reservation and ticketing system, including the possibility that inadequate controls were in place to ensure cash payments to ride the ferries were properly handled.

May 13, 2010, Mr. Thomas called Ms. Austin to advise that Mr. Finch was going to look into the reservation and ticketing issues and get back with her.

Before Mr. Finch contacted Ms. Austin, Ms. Austin called Mr. Finch at his office.

According to Ms. Austin and Mr. Thomas, Mr. Finch answered the phone and asked the Business Officer to get Mr. Thomas, into his office. Mr. Finch said, "You have a phone call, it's Cindy Austin" and handed him the phone. Mr. Thomas took the call and asked Ms. Austin what was going on. Ms. Austin basically replied, "This man is crazy," referring to Mr. Finch.

Mr. Finch took the phone back and stated to Ms. Austin, "You need to follow the God damn chain of command." He then abruptly hung up the phone and stated to Mr. Thomas that he would transfer, fire, or get rid of any of Ms. Austin's relatives if she ever calls him back. He said, "She's your god damned employee. You handle her or I will."

On May 14, 2010, Mr. Thomas met with Mr. Finch about what he said to Ms. Austin on the previous day and he told Mr. Finch that he could not sit back and allow him to talk to employees the way he did Ms. Austin and he needed to apologize to Ms. Austin.

Mr. Finch has, however, acknowledged that he as a temper. See, Attachment D. May 14 entry, where Ms. Austin reports to Human Resources that Mr. Finch has apologized.

Summary: Documents and interviews with Ms. Austin and Mr. Thomas indicate that Ms. Austin had followed the chain of command concerning her issues with the reservation system. She had first discussed with her immediate supervisor, who is the Ferry Superintendent for Cedar Island Operations, and then Mr. Thomas, Assistant Ferry Director for Operations. Mr. Thomas is the one who set up the meeting for Ms. Austin to discuss her issues with Mr. Finch.

⁹ See, Attachment D, Complaint by Cindy Austin, dated June 18, 2010.

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The record shows conflicts between the parties, with Ms. Austin reporting Mr. Finch's behavior to the Human Relations Division within two weeks of his hiring. She later gathered statements from other Ferry Division employees to support her claim of unprofessional conduct.¹⁰

The record also shows that Mr. Finch apologized to Ms. Austin for his behavior.¹¹

Finding:

The controversies that erupted within the Ferry Division, in part because of Mr. Finch's management style, diverted Mr. Finch from fulfilling his initial goals, which remained unfinished at the time of his departure.

¹⁰ See, Attachment D.

¹¹ See, Attachment D.

Employment of Relatives

The State's Policy on relatives indicates that "Relatives should not be hired within the same agency; however, if it is necessary to consider relatives for employment, the Agency head shall certify that such action will not result in one family member supervising another member of the immediate family. A relative should not occupy a position which has influence over another family member's employment, transfer, promotion, salary administration, or other related management or personnel considerations." Relatives are also considered to be others living in the same household or otherwise so closely identified with each other as to create difficulty in the work place.

- I. It is the policy of the Department of Transportation that two members of an immediate family shall not be employed within the same unit working together or in any situation which would allow or require them to come in contact with each other in a working environment. It is also our position that any relatives outside of the immediate family shall also not be employed in the same working environment. The intent of the policy is to prevent severe workplace problems when relatives are placed in day-to-day working situations.

- II. Immediate Family is as follows:

Spouse = wife, husband

Parent (Mother/Father) = Biological, Adoptive, Step, In-Law, Loco Parentis (a person who is in the position or place of a parent)

Child (Daughter/Son) = Biological, Adoptive, Foster, Step, Legal Ward, Loco Parentis (a person who is in the position or place of a parent), In-Law

Brother/Sister = Biological, Adoptive, Step, Half, In-Law

Grand/Great = Parent, Child, Step, In-Law

Dependents = Living in the employee's household

- III. Relatives outside of the immediate family include:

Aunt/Uncle = Biological, Adoptive, Step, Half, In-Law

Niece/Nephew = Biological, Adoptive, Step, Half, In-Law

First Cousin = Biological, Adoptive, Step, Half, In-Law

- IV. Relatives shall not be hired in certain Branches/Divisions/Sections, depending on the organizational structure. As an example: The Human Resources Office has three units which function very closely; therefore, relatives cannot be hired within the Human Resources Office.

However, the Highway Design Branch has five units which operate independently of each other. Therefore, an employee could work in Roadway Design and a relative could be hired in Structure Design. Please contact the Human Resources Office for guidance in the interpretation of the policy.

- V. If any relative of an employee is hired, reinstated from resignation, promoted, demoted or transferred within the Department, the relative clause must be included on the transaction form to ensure that they will not be working in the same area. Specific information as to different shifts, work counties, etc., should be included with the documentation.
- VI. Managers must be aware of any marriages in their Branches/Divisions/Sections. If a marriage would violate the provisions of this policy, one of the individuals must find other employment. Managers may assist the individual in finding other suitable employment; however, the couple must understand that if arrangements cannot be made, then one would have to be separated. It is the employee's responsibility to find other employment.
- VII. Managers must take the responsibility of carefully reviewing all applications and forms to ensure that relatives are not being hired, promoted, transferred, reassigned, etc. in the same work environments.

Applicants who fail to correctly complete the application (PD-107) to reflect relatives employed with the Department are falsifying the application.

Managers who knowingly allow these situations are violating State and Departmental procedures.



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

LYNDO TIPPETT
SECRETARY

September 28, 2009

Memorandum to: Jack Cahoon
Director, Ferry Division

From: Angela Faulk
Director

Subject: Memorandum of Understanding Regarding Human Resources
Delegated Authority

Effective Monday, October 5, 2009, the Ferry Division will receive delegated authority for conducting the posting, qualification, and salary administration of certain classifications. (Please see the attached document for a specific listing of Ferry Division classifications and their authority level.)

All postings should be completed in BEACON. With this change, you will not send postings to Human Resources (HR) Operations for review before they are posted. As a result, HR Operations will review postings for a six month duration. During that period, any discrepancies will be brought to the Ferry Division's attention. After that, you will independently post positions and ensure that the DOT Posting Policy and Procedure is being adhered to.

The Personnel Technician in the Ferry Division will be responsible for qualifying application packages for all delegated classifications. The HR Operations unit will continue to qualify application packages for all classifications that are not on the delegated authority list. The Ferry Division will adhere to the DOT Merit Based Hiring Policy when making qualification decisions.

The Personnel Technician in the Ferry Division will be responsible for the salary administration for all hiring decisions. The HR Operations unit will continue to process hiring decisions for all classifications that are not on the delegated authority list. The Ferry Division will adhere to the DOT Merit Based Hiring Policy and the Office of State Personnel Salary Administration policy when processing hiring decisions. The Ferry Division will work directly with the Human Resources Controlled Substance and Alcohol Program office on all hiring packages that require drug and alcohol testing. In addition,

the Ferry Division will be responsible for processing all PA actions for classifications on the delegated authority list, to include temporary positions.

The HR Operations unit will continue to retain the official employee personnel file for all Ferry Division employees. As a result, the original application of the recommended applicant with position information should be sent to the attention of Scott Wainwright in HR Operations. Mr. Wainwright will verify all education/certification credentials. Please forward to Mr. Wainwright the education verification permission form when sending the recommended applicant's application.

The HR Operations unit will continue to provide program leadership for all alternate based pay programs in the Ferry Division (e.g., engineer/technician, information technology, and accounting). Duties include policy development and changes, competency and example design, compensation structuring, and information technology database design and maintenance. The Ferry Division will be responsible for answering all day-to-day questions as they pertain to alternate based pay programs, and, at the direction of HR Operations unit, coordinating the assessment process.

For now, the HR Operations unit will continue to perform all classification changes and OM actions. This would include reallocations, setting up new positions, position transfers, etc. The HR Operations unit will work on the logistical issues that are needed to be resolved before delegating authority to the Ferry Division for classification items. A separate memo of understanding will be developed when classification requests are delegated to the Ferry Division.

The HR Operations unit is available to the Ferry Division for consultation. In addition, the HR Operations unit will be available to qualify and administer the salary for any hiring packages that the Ferry Division requests.

The HR Operations unit will perform an auditing function to ensure that all policies and procedures are being upheld by the Ferry Division. If it is found that policies and procedures are not being properly followed, the Ferry Division could potentially lose all or part of their delegated authority.

We are looking forward to a successful and productive partnership between Human Resources and the Ferry Division. With this delegated authority, the goal to hire good people quicker should be accomplished.

If you have any questions, Angie Fanelli will be available to provide further clarification.

cc: Jim Westmoreland, PE
Gail Sheets

Attachment

Selection

Policy

All agencies shall select from the pool of the most qualified persons to fill vacant positions. Employment shall be offered based upon the job-related qualifications of applicants for employment using fair and valid selection criteria and not on political affiliation or political influence.

Definition: Political affiliation & political influence: For the purposes of this policy, political affiliation is the membership in, participation in, or support of, a particular political party, group, or candidate. Political influence occurs when political affiliation impacts the decision to hire or not to hire and the selection decision was not based on fair and valid selection criteria

The selection of applicants for vacant positions shall be based upon a relative consideration of their qualifications for the position to be filled. Using fair and valid selection criteria, the agency shall review the credentials of each applicant and determine who possesses the minimum qualifications. From those applicants who meet the minimum qualifications, a pool of the most qualified candidates shall be identified. The pool of the most qualified candidates shall be those individuals determined to be substantially more qualified than other applicants. The individual selected for the position must be chosen from the pool of the most qualified applicants.

Selection procedures and methods shall be validly related to the duties and responsibilities of the vacancy to be filled. The Office of State Personnel will provide technical assistance, upon request, to agencies wishing to design or review selection procedures.

Written Notification to Applicants

After making the selection decision, the agency shall provide timely written notice of non-selection to all unsuccessful candidates in the most qualified pool. Non-selected candidates in the most qualified pool have 30 days from the date of receipt of the written notice to contest the selection decision. In making the determination of minimally qualified and most qualified, policies regarding priority consideration must be applied. (See Priority Reemployment Consideration Policy in this section.)

Continued on next page

Selection, Continued**Complaint/
Contested Case
Procedures**

A state employee or applicant for initial State employment may complain directly through the Civil Rights Division of the Office of Administrative Hearings (OAH) if all the following conditions apply:

- the person alleging the violation applied for the position in question during the open application period;
- the person alleging the violation was not hired into the position in question;
- the person alleging the violation was among the pool of the most qualified applicants;
- the successful applicant for the position was not among the pool of the most qualified applicants; and
- the hiring decision was in violation of G.S. 126-14.2 because of political affiliation or political influence.

The complaining State employee or applicant must file the complaint with the Civil Rights Division of OAH within thirty (30) days after the complainant receives written notice that the position in question has been filled.

Upon an initial determination that there is probable cause to believe there has been a violation of G.S. 126-14.2, the complainant may file a petition for a contested case pursuant to G.S. 126-34.1 and Article 3 of Chapter 150B of the General Statutes within 15 days.

The administrative law judge shall issue a recommended decision to the State Personnel Commission. The State Personnel Commission shall make a final written decision in accordance with the law. If the initial determination is that there is not probable cause to believe there has been a violation, that determination shall be conclusive of any rights under that section but shall not be admissible or binding in any separate or subsequent civil action or proceeding.

Advisory Note: This does not prohibit any applicant from the right to file a contested case issue under other aspects of G.S. 126.

Continued on next page

Selection, Continued**Applicant
Information**

Applicants must furnish true, accurate, and complete information and documentation. When an agency discovers that an applicant provided false or misleading information on a State application, or its equivalent, the following shall occur:

- (1) When an agency discovers, prior to employment, that an applicant provided false or misleading information in order to meet position qualifications, the applicant shall be disqualified from consideration for the position in question.
- (2) When an agency discovers, after employment, that an employee provided false or misleading information or concealed employment history or other required information significantly related to job responsibilities, but not used to meet minimum qualifications, disciplinary action is required and shall be administered in accordance with the following criteria:
 - Disciplinary action, up to and including dismissal, shall be taken, but the severity of such action shall be at the discretion of the agency head.
 - The agency head's decision, while discretionary, shall consider: the effect of the false, misleading or concealed information on the hiring decision, the advantage gained by the employee over other applicants, the effect of the false information on the starting salary, and the advantage gained by employee in subsequent promotion and salary increases. Job performance shall not be considered in such cases, nor can decisions be made on the basis of race, creed, color, religion, national origin, sex, age, disability or political affiliation.
- (3) When an agency discovers that an employee was selected based on false or misleading work experience, education, registration, licensure or certification information in order to meet position qualifications, the employee shall be dismissed, regardless of length of service.

Continued on next page

Selection, Continued

Verification of Credentials The employing authority shall verify the validity of academic and professional credentials and the accuracy of data contained in the application information and documentation provided by each new employee within 90 days from the date of the employee's initial employment. The agency shall inform applicants in writing at the time of selection that credentials must be verified within 90 days of initial employment and prior to the granting of a permanent or time-limited permanent appointment.

Advisory Note: Credentials that are required to be verified are (1) the highest post-secondary degree in all cases and (2) registrations, licenses, certifications, and work history that are used to qualify or set the salary of an applicant.

EMPLOYMENT LIMITATIONS

Age Limitations The Fair Labor Standards Act sets 14 as the minimum age for most non-agricultural types of work but limits the number of hours that may be worked for minors under age 16. It also prohibits minors under age 18 from working in any occupation that is deemed to be hazardous. Agencies should review the Child Labor provisions in the FLSA if questions of minimum age arise. (Website: <http://www.dol.gov/dol/topic/youthlabor/agerequirements.htm>)

Advisory Note: North Carolina State government is not subject to the North Carolina Department of Labor laws and, therefore, does not require an Employment Certificate as issued by the Department of Social Services.

Law Enforcement Officers must be at least 20 years of age.

Maximum Age - There is no maximum age for employment.

Continued on next page

Selection, Continued

Employment of Relatives (Nepotism)	Members of an immediate family shall not be employed within the same agency if such employment will result in one member supervising another member of the employee's immediate family, or if one member will occupy a position which has influence over another member's employment, promotion, salary administration or other related management or personnel considerations. The term immediate family includes wife, husband, mother, father, brother, sister, son, daughter, grandmother, grandfather, grandson and granddaughter. Also included is the step-, half- and in-law relationships based on the listing in this Paragraph. It also includes other people living in the same household, who share a relationship comparable to immediate family members, if either occupies a position which requires influence over the other's employment, promotion, salary administration or other related management or personnel considerations.
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Employment of Aliens	The State is permitted to hire only properly identified U. S. citizens and aliens with proper work authorization from the Department of Homeland Security, Bureau of U.S. Citizenship and Immigration Services.
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See Immigration/Employment of Foreign Nationals Policy following this policy.

Federal Military Selective Service Act	State law requires selected applicants to indicate if they are in compliance with the Federal Military Selective Service Act. Failure to comply with the registration requirements bars a person from State employment.
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SPECIAL EMPLOYMENT AND REEMPLOYMENT CONSIDERATIONS

Priorities	<p>Priority for vacant positions shall be given to:</p> <ul style="list-style-type: none">• employees separated from exempt policy-making/confidential positions or exempt managerial positions for reasons other than just cause (See Priority Reemployment for Exempt Policy-Making/Confidential and Exempt Managerial Employees),
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Continued on next page

Selection, Continued

Priorities

- employees separated from exempt managerial positions as a result of a violation of G.S. 126-14.2 (See Priority Reemployment for Exempt Managerial Employees Removed from Positions for Violations of G.S. 126-14.2),
- employees notified of or separated by reduction in force (See Priority Reemployment Consideration for Reduction-in-Force Employees),
- employees returning from workers' compensation leave (See Workers' Compensation Policy),
- career State employees seeking promotions (See Promotional Priority), and
- eligible veterans (See Veterans' Preference Policy).

Advisory Note: Refer to policies regarding return to work from leave without pay.

The Office of State Personnel provides a monthly Priority Reemployment Inventory for reduction-in-force employees and employees separated from exempt policy making/confidential and exempt managerial positions. (See Priority Referral System.) The agency shall be responsible for assuring that these priorities, as well as the other priorities, are appropriately administered. If priority reemployment applicants are available, the appropriate priority must be afforded.



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

BEVERLY EAVES PERDUE
GOVERNOR

EUGENE A. CONTI, JR.
SECRETARY

*North Carolina Department of Transportation
Cedar Island Ferry
3619 Cedar Island Road
Cedar Island NC 28520*

Phone (252) 225-7411

Fax (252) 225-0107

Date: June 18, 2010

To: Jim Westmoreland Fax # 919 733-9150

Subject:

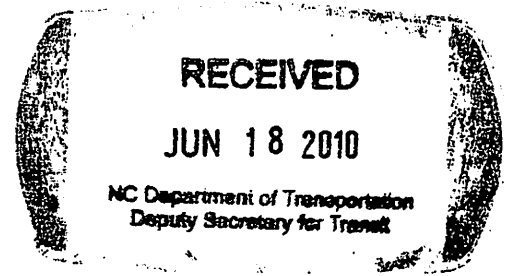
From: Cindy Austin, Operation Manager

Reply to Attention Of:

Notes or Comments:

FOR YOUR REVIEW

June 18, 2010



Jim Westmoreland
Deputy Secretary of Transit
1501 Mail Service Center
Raleigh NC 27699-1501

Dear Mr. Westmoreland:

I am writing you this letter to inform you of the treatment that I, personally have endured by the New Management (Mr. Harold 'Buddy' Finch) for the North Carolina Ferry Division. I am the Operations Manager for the Cedar Island Ferry Office, as a career State Employee with over 20 years of state service, I feel you sir, along with the other DOT official's needs to be aware of this, and take immediate action.

I along with my co-workers have been exposed to, profanity, threatened, embarrassed, just to name a few.

Therefore, according to the State Personnel Manual, and Department of Transportation Workplace Violence Policy, **Section One, VII, Reporting / Investigating**, the employee is to report (b) next level of management if supervisor is the alleged perpetrator. I have reported this to Human Resources and am proceeding with the proper "Chain of Command". I am therefore asking that the above alleged charges be investigated and am looking forward to your response.

Attached is the documentation of the charges that my co-workers and I have provided for your review.

Yours truly,

A handwritten signature in cursive script that reads "Cindy Austin".

Cindy Austin
Operations Manager II
Cedar Island Ferry Terminal
3619 Cedar Island Road
Cedar Island NC 28520
(252)225-7411

5-13-10 At 3:35 p.m. Harold Finch, Director of N.C.D.O.T Ferry Division received a phone call from operation manager, Cindy Austin, Cedar Island. She wanted to ask Mr. Finch a question about the meeting he and Cindy had the day before about reservations at her operation. She had informed him about fraud with the reservation system the operation was using. Director Finch had Jesse Vinson come to my office and tell me he needed me. When I walked in Finch's office he said to me that I had a phone call. It was Cindy Austin. I said hello to Cindy what is going on. She said to me, Harold that man is nuts. Finch asked for the phone and he told Cindy she needed to learn the "G.D" chain of command. He was not very professional. Finch hung up on Cindy. He told me he would transfer, fire, or get rid of her and any of her relatives she has working at her operation, if she calls back. He said Harold that is your employee handle her or I will. He said he had a bad temper and not mess with him.

5-14-10 at 7:10 am. Director Finch came into my office I said you are just the man, I want to see, have a seat. I told him that I have worked too hard to move the Ferry Division forward and he will never speak to a Ferry Division Employee (Manager) like he did yesterday as long as I am here. I told him he needed to apologize to Cindy for his actions and to control his temper, and to be professional. I told him I would not stand by him as he tore up the state agency I loved so much. I told him he was to talk to people professionally and thank them for all they do. I told him he should have never put Jesse Vinson over personnel, because there would be problems. He minutes later, apologized to Cindy Austin. He told me I would have to get on him from time to time.

Harold Finch

17 June 2010

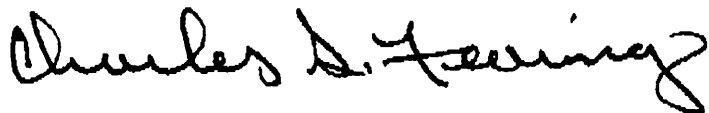
MEMORANDUM

TO: Whom it May Concern

FROM: Charles S. Fearing, Assistant Director of Maintenance and Materials

SUBJECT: Request for Information. Cindy Austin

On 14 May 2010 the Ferry Division Director, Mr. Finch, representatives from Raleigh and I met at the Manns Harbor Shipyard for a walking tour. I walked them around the Shipyard and narrated descriptions of the departments and their areas of responsibilities. At the completion of the tour, Mr. Finch stated he wanted to speak with me. During the course of our conversation Mr. Finch began to share with me his frustrations with Cindy Austin, Cedar Island Operations Manager, when I mentioned that we had problems with our reservations management. Mr. Finch began by stating "That Assistant Director I have let her come into my office disrupting me while I am working on a 40 million dollar budget. He stood up, slammed his hands on the table and stated, "If I were in the military, I could take Cindy Austin down two strips right now without any explanation or justification. She does not know who she is dealing with. All of her family works there. I can transfer them, and I can dismiss her. With your help you and I are going to change their mind set". I responded, "No sir, I am not going to help you change the mind set of the employees nor does the people that fund our budget want their mind set changed. The employees of the Ferry Division are great people and our customers love talking with them. They are a part of the lure of riding the ferries".



CINDY AUSTIN Notes

April 12, April 20, May 10, May 11

Reservation and Ticketing issue!!

Talked with Arthur and Harold about the ticketing and reservation system,

Harold told me to talk to Mr. Finch about it, so that is what I did.

May/3/2010 Manager Meeting Morehead City

Meet new Ferry director Mr. Finch, also Mr. Westmoreland, and Mr. Trogdan was also present.

May 12, 2010 5pm after a meeting in Morehead City,
Talked with Mr. Finch

Meet with Mr. Finch at Morehead City Ferry Office,

I informed Mr. Finch of the problems I was having with the Reservation and Ticketing system.

I asked him if there was anyway, we could take reservations on sight at the terminal.

His first words where quote "no" "End of subject", stated that he had wrote a letter that day to the Ocracoke Business association stating the same thing.

I said, "Sir I do not think you understood what the Business Association or I am asking you to do?"

I told Mr. Finch that people that drove to the terminal and wanted reservations certainly did not want to go stand outside on the porch and pick up the HOT Line to be connected to Centralized Reservations. When being connected with centralized reservations, you were on hold as much as 15 minutes and did not want to give there credit card number out, for everyone to here.

I stated, "Sir all I am only asking you to assist the traveling public? I am not asking you to hire anyone or even buy me another computer. I only want to serve the Citizens of North Carolina and the traveling public of this Great State."

His response was Jesse was in charge of reservations and that was the way it was going to remain, with a smile on his face.

I then informed Mr. Finch, that being the Operation Manager here at the terminal and dealing with the public with day to day events, that I believed I knew how it operated at the terminal better than Jesse did.

Mr. Finch stated he did not want to hear anything about Jesse. And that he had heard all he wanted to here about Jesse.

I then replied "Well the best thing for me to do is to leave." I then proceeded to leave.

Mr. Finch then asked that I sit back down and proceed with the discussion.

Finchnotes.doc

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I then told him about the vulnerabilities of the ticketing cash system. And how, there was no accountability and if the auditors come the Ferry Division would be in trouble. He did not understand and apparently did not want to.

I then told Mr. Finch how great it was to be able to provide coffee to the traveling public.

His exact words were "Wonder how many people are stealing that."

I said "excuse me"

He replied, "It seems that you are worried about people stealing money."

I replied, "No Sir!" "I am not, just wanted to make you aware of the situation."

Next he got back on the Reservation issue, he commented, "If I give you a reservation person, I will have to give Currtiuck, Southport and everyone a reservation person."

Again I replied, "Sir I do not believe you understand, not all locations take reservations just, Cedar Island, Ocracoke and Swan Quarter."

Once again, I replied, "Sir I have the ability at my Operations to take reservations and the only thing I am asking is permission to take them, I am not asking you to hire someone."

He then asked me if it was a Ferry Division policy stating that I could not take reservation at the terminal.

I replied by saying, "No Sir, it was Jessie Vinson's Policy."

He then was continuing smiling.

NEXT subject- I asked him about game machines on the ferry---I informed him that being a parent and riding the ferry a lot, that I for one, missed the game machines, that the kids certainly enjoyed them, he agreed. He stated he was going to get Jessie to look into it.

As I was leaving Mr. Finch thanked me and told me he was going to look into the ticketing and reservation issues and would get back up with me. He stated that in 2 weeks he had to meet with someone in Raleigh about the reservation system.

May/13/2010

9am

Harold Thomas, Assistant Director, called and told me Mr. Finch was going to look into to reservation system and in a couple of weeks. Continue doing as we are, I certainly did not understand, but will abide by management decision.

Finchnotes.doc

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2:00pm-

Employee at the terminal received a phone call from a reservation clerk in Morehead City, and informed me that they were laughing about the request I had made about reservations being taken locally. Jesse had told them all about how I was trying to get the reservations back at the terminal and Mr. Finch, the big boss was not going to let it happen.

I just sat there for a while remaining quiet, my feelings were hurt that our new Director and Jesse Vinson would be laughing and making fun of me and my very important suggestion. This was so degrading and I just wanted to cry.

Statement

May /13/2010

3:35pm

I dialed Morehead City ferry Office to talk with Mr. Finch about the Reservation system, that we discussed the previous day... 5/12/2010, Regina McGee answered the phone and I asked to talk to Mr. Finch, Mr. Finch picked up the phone and said quote "WHAT DO YOU WANT" I was liked shocked, I am sure I must of stuttered when I said this is Cindy from the Cedar Island Ferry, just wanted to touch base with you about the reservation system, and just wondering what you think about us taking reservations locally? He yelled and asked me quote "Hasn't Harold talked to you?" I stated, "Yes sir but not about ^^^he cut me off" the next thing I know is I hear him yelling for someone to get Harold on the phone" Harold picks up the phone and I proceed to tell him that Mr. Finch had gone crazy and would not listen, so I proceed to tell Harold the problem. The next thing I know, Mr. Finch must of took the phone from Harold, and Mr. Finch is telling me, That he had a Damn open door policy, but it wasn't to be used for such stupid ass things as this. That I was to follow the God damn chain of Command. Understand I am shock!!! Next thing I know, I hear him yelling and the phone slams down. I held the phone to my ear a couple of seconds in shock, Sherman and Gail were looking at me and said "DID he just slam the phone down?"

Present in my office
Sherman Goodwin
Gail Davis

I began contact with Charlie Watson - EEO Representative

May/14/2010

7:15am

Mr. Watson called me up and I told him that I wanted this documented, he informed me that the Ferry Division is having a real problem with Mr. Finch and that I was not the first person to call on him and he was going to talk to Angela when she got in.

May/14/2010

8:15am

Statement

Mr. Finch called to apologize for talking to me the way he did, he said that I needed to follow the proper Chain of Command, and it was going to be that way. I told him that I did follow the Chain of Command. He also stated that he was hot tempered. He said that he took the tone of my voice wrong.

I stated "Sir, I do not know how you could have done that because when you picked up the phone you said quote "WHAT DO YOU WANT?"

Anyway the chain of command remained his issue.

May/14/2010

9:30am

I called Mr. Watson and told him that Mr. Finch had called and apologized and he said, that the apology had to end that and he had to quit doing that stuff.

May/14/2010

Afternoon

Mr. Finch goes to Mann's Harbor; He continued to make untrue statements about me. (Mr. Charlie Fearing)

May/19/2010

Manager's Meeting

Statement

Had a managers meeting to the Morehead City Ferry Office today, Mr. Finch started going down his agenda and he had hand written notes on his agenda he started talking about following the Chain of Command. I sat down quietly and did not utter a word. When I got ready to leave that day, Mr. Finch asked to shake my hand? I thought this was strange being he did not ask any other Operation Manager to shake their hand. This was both embarrassing and awkward to me, and I just shook it off until approached by another Operations Manager which asked what that was all about? Sue Kinner, Operations Manager stated she took it as and I quote "I showed you statement." This was terribly embarrassing in front of all my management personnel. I felt belittled and made fun of.

May 22 2010

I went to Mann's Harbor shipyard with Harold Thomas to see the great work that the employees from operations and the shipyard had accomplished on the M/V Carteret. During Mr. Finch's speech, he made a statement in front of everyone again, about following the Chain of Command, while looking at me. I take this personal and it hurt my feeling to be singled out again in front of all my co-workers.

May 25 2010

Mr. Finch came down to the Cedar Island terminal, Tuesday May 25 2010 and caught the 9:30am ferry to Ocracoke, I escorted him around the facilities, and then he asked me to show him the ticketing and reservation system and how people could take money. I showed him the hand written notes, and how people could take the money. Mr. Finch saw and agreed there was a problem and stated it needed to be addressed immediately. He then asked me if I thought this was happening here? I stated, "No sir, I JUST WANTED TO MAKE YOU AWARE of this IN CASE WE HAVE A AUDIT."

HE ASKED ME WHAT I THOUGHT OF Harold Thomas?

I informed him that Harold was an outgoing person and seems to be making a difference in the Ferry Division.

Below is the email that I received concerning his visits and my responses.

-----Original Message-----

From: Finch, Harold W
Sent: Thursday, May 27, 2010 9:01 AM
To: Austin, Cindy S
Cc: Thomas, Harold B; Vinson, Jesse G
Subject: ISSUES

Cindy,
Enjoyed my visit. Appreciate the job you are doing. Regarding the issues you raised:

I was surprised to see the vulnerabilities in our cash accounting system. The work being done on the reservation and charge system should fix the current ease for an employee to steal from the system. If it doesn't, I will continue to pursue a fix. Long term we will work to piggy back on the Highway Admin. System, which hopefull will be a type of easy pass system with electronic reading and automatic charging. This should help the issues with reservations as well.

I agree with video games on board vsls. Jesse will pursue, but to be honest he is heavily involved with developing the budget and other projects right now. Remind me at the end of July if we have not done anything by then.

Glad to hear we are making money on coffee. Agree that it is not about the money, but is a good thing to provide the public.

Keep up the good work.
Buddy

Email correspondence to and from this sender is subject to the N.C. Public Records Law and may be disclosed to third parties.

Below is my response

-----Original Message-----

From: Austin, Cindy S
Sent: Thursday, May 27, 2010 10:06 AM
To: Finch, Harold W
Cc: Thomas, Harold B; Vinson, Jesse G
Subject: RE: ISSUES

Mr. Finch,

The employees here enjoyed your visit, morale was certainly a issue a couple of months ago, but when Mr. Thomas came aboard everything started to change. The statement of his, that it's everyone's Ferry Division sure started making a difference in the morale.

Regarding the issues that I raised with you?

I showed you the vulnerability in case we have an audit; I just wanted to make sure you are aware of this. Mr. Vinson, Phillip, Heather and I have had reviewed this on numerous occasions, with no results. I have documentation of three times in 2006 that this was problem was to be addressed. There is no problem with the Reservation System or the Credit Card System, this is more involved in the ticketing system, which consist of selling tickets and commuter passes. There is some quick fixes that I know Phillip can do to fix the problem, should he be allowed to, after all this whole process would not be automated if it wasn't for Phillip, who created the program, from the beginning.

As far as the reservations at Operations, Please understand that I am not asking for the ferry to hire someone or move reservations back to the terminal, I would just like to help the traveling public that show up here at the operations. A tourist that comes here finds it hard to understand that we can not help them, that they have to go get on the hotline and connect with centralized reservations. The hotline is another issues, that I personally think should be addressed, a tourist does not want to be in a building full of people and have to give there credit card number out. This certainly is justification for us locally to be able to assist the traveling public. We here at operations have the same programs that centralized reservations have and can assist them in there needs.

Thanks for understanding my concerns, should I be of any future assistance please contact me.

Cindy

Mr. Finch's Response

-----Original Message-----

From: Finch, Harold W
Sent: Thursday, May 27, 2010 10:11 AM
To: Vinson, Jesse G; Atkinson, Phillip B
Cc: Austin, Cindy S
Subject: FW: ISSUES

Jesse, Phillip,

If there are quick fixes for the money accountability, we should do them.

Thanks,
Buddy

May/29/2010

I received notification that Mr. Finch is still running his mouth about me, a matter of fact calling me a BITCH.

June/1/2010

Emailed Mr. Watson about the status of the issues and the things reported to me by co-workers that Mr. Finch had been saying.

11:00am

Charlie Watson called to check on the issues? He started by saying so Jesse called you a bitch? I said no Sir, Have you not read your email? He stated that it was a here say statement@@@. I told him that I wanted him to look into it.

June/1/2010

1:20pm

Charlie Watson called me, I apparently forwarded the previous email I sent him, back to him, I told him I was sorry, I was just trying to put them all in one file>>>>.

June/9/2010

8:45am

Meeting to Morehead City concerning Storm water Run-off, Two of my employees Yvonne Styron, Heather Fuchs and I entered the Morehead City ferry office, upon turning the corner, I saw Mr. Finch standing at Jesse Vinson's office door, I said Good Morning and he just turned his head and started smiling at Jesse. I passed Mr. Finch several times in the hall that morning. He has not yet said good Morning, and has looked me square in the eyes every time, I passed him.

Personally, I am getting very scared to be around this man, having someone that could stare you in the eyes like he could pull your head off. I am very threatened by his actions and by his temper. I feel that this is a person that needs to be talked to and maybe have counseling or even worse, should not be working with the public sector in his capacity.